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PUBLIC HEARING  
NORTHEAST NATIONAL PETROLEUM RESERVE - ALASKA  
DRAFT AMENDED INTEGRATED ACTIVITY PLAN/  
ENVIRONMENTAL IMPACT STATEMENT

June 28, 2004

7:00 p.m.

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P R O C E E D I N G S

1

HEARING OFFICER WILSON: It's 7:00 o'clock, the appointed time to start, and I would like to call this hearing to order. My name is Curtis Wilson, and I'm tonight's hearing officer.

2

This hearing is being held for the purpose of providing you an opportunity to make oral comments on the Bureau of Land Management's draft amendment for the Northeast National Petroleum Reserve - Alaska IAP/EIS. Unlike the open house, this is a formal hearing, and as such, we will not be entertaining questions. However, several individuals from BLM as well as representatives from ENSR, the contractor assisting in developing the EIS, will be available to answer questions after the meeting if time allows.

3

At this time I would like to turn the floor over briefly to Susan Childs to tell you something about where BLM is in the development of the draft amendment and EIS.

4

MS. CHILDS: Good evening. I'm Susan Childs, and I'm the project manager on this process. Prior to receiving your formal comments, we would like to provide you with some background information concerning this plan to consider amending the existing 1998 Northeast National Petroleum Reserve Integrated Activity Plan.

5

The Northeast Planning Area. The plan will address subsistence concerns, impacts to fish and wildlife resources, and opportunities to provide additional access for oil and gas leasing, exploration, and development in the Northeast NPR-A. Before going on, we were often asked why are we considering amending the Northeast NPR-A plan at this time.

6

First, the existing plan is halfway through its expected useful life. Leases are five years old, and it's common for BLM to take another look at planning decisions and consider mid-course corrections if warranted.

7

Second, it's in the national interest to explore domestic sources of oil and gas to help achieve energy independence. The Northeast Planning Area is thought to contain significant amounts of recoverable oil and gas, and interest is high for looking for oil and gas resources in the Petroleum Reserve.

8

And, finally, the authorized officer, who is the state director of BLM in Alaska, can initiate a review of planning decisions at any time.

9

The Northeast Planning Area is located in the eastern portion of the 23 million acre National Petroleum Reserve in Alaska. The planning area is approximately 60 miles west of the Prudhoe Bay and roughly 120 miles west of the Arctic National Wildlife Refuge. The

entire planning area contains 4.6 million acres, all of which are administrated by the Bureau of Land Management.

10

In 1998 the decision was made to open 4 million acres of the planning area to oil and gas leasing. Lease sales were held in the northeast planning area in 1999 and 2002, and approximately 1.4 million acres have been leased thus far within the northeast. Lease sales raised approximately \$165 million.

11

Immediately west of the Northeast Planning Area is the Northwest Planning Area. BLM completed a plan for the Northwest Planning area in January of this year, and on June the 2nd of this year we conducted a very successful lease sale, raising \$53.9 million. A total of 1.4 million acres composed of 123 tracts were leased. This was the largest on-shore federal lease sale in Alaska today, and interest remains high.

12

Contrary to what you may have heard, we have not made any decisions. For instance, we have not made decisions on changing any northeast stipulations, making additional areas available for oil and gas activities, or reducing existing set-backs or buffers.

13

While we have not made any decisions, we are considering making some changes in how the Northeast Planning Area should be managed. We are considering reformatting the existing 79 stipulations developed in the

1998 plan into a performance-based plan versus a prescriptive plan, and I will elaborate on that proposed change later on in this briefing. We also want to split out lease stipulations that apply to actual leases and required operating procedures that apply on all BLM-administered public lands in the Petroleum Reserve. We want to take another look at lands that are available for oil and gas leasing, and finally we want to look at mitigation measures developed for the northeast NPR-A to see if changes are warranted.

14

I'd like to now give you an overview of the alternatives being considered.

15

The National Environmental Policy Act, NEPA, requires federal agencies to consider a full range of alternatives. While the alternatives defined in the draft environmental impact statement provide a full range of alternatives to consider, the final plan may differ from the alternatives identified in this briefing based on the comments we receive from the public.

16

The no action alternative is the current 1998 northeast NPR-A plan. If we stopped planning -- the planning process today, this would be how the Northeast Planning Area would be managed. The no action alternative makes four million acres of the planning area available for oil and gas leasing. The plan makes approximately 600,000

acres in the northern region of the planning area unavailable for oil and gas leasing. It also makes an additional 200,000 acres available for leasing, but prohibits any surface activity, including winter exploration, from this area. And much of this area has already been leased.

17

The plan establishes caribou stip -- special caribou stipulations in areas surrounding these two areas. These stipulations address special timing requirements and aircraft restrictions intended to reduce impacts to caribou calving and insect relief areas.

18

The plan created special areas of no surface occupancy. Within these areas, lands could be leased and explored, but permanent facilities would be prohibited. Within this large block of land, there are numerous deep water lakes. These are lakes that are deeper than seven to eight feet. Because of their depth, they do not freeze to the bottom. These lakes provide over-wintering habitat for important subsistence fish species, and a year-round source of water. Oil and gas facilities are prohibited within three-quarter miles of these lakes.

19

And, finally, the surrounding major set back areas are buffer zones. Special consultation zones are identified. When actions are proposed within a buffer zone, this would trigger an additional consultation

procedure with local affected communities.

20

There is an exception process built into the lease stipulations of the 1998 plan. An exception to a stipulation may be granted provided certain criteria are met as an implementation of a stipulation is economically unfeasible, technically unfeasible, or the alternative does not meet the management objective. The key is exceptions are just what they are, they are exceptions. They are not the rule.

21

Consistent with the requirements of NEPA we have identified two alternatives.

22

Alternative B makes all but approximately 213,000 acres of the planning area available for oil and gas leasing. Leasing would be subject to general and site specific stipulations. The area unavailable for leasing is located northeast of Teshekpuk Lake, the largest lake on the North Slope.

23

Alternative C is similar to Alternative B, except that all 4.6 million acres of the planning area would be available for leasing. Again, leasing would be subject to general and site specific stipulations and required operating procedures.

24

In the draft EIS Alternative B is identified as BLM's preferred alternative. So together with these three alternatives they provide the full range



of options for the NEPA environmental review process.

25

I would like to now talk about the two major elements of alternatives B and C, and they are the general lease stipulations and required operating procedures and the site specific stipulations in biologically sensitive areas.

26

First, I'm going to discuss or focus on the general lease stipulations and required operating procedures. Lease stipulations are attached to the land that is actually leased. Required operating procedures apply both on and off the lands leased for oil and gas.

27

An example is the required operating procedure directed at ice road construction and operation. While the ice road may cross a portion of leased lands, the road may extend well off the lease. As a lease stipulation, the segment of the road off the lease would not be covered by the lease stipulation, so the required operating procedure provides direction for ice road construction off of the lease.

28

Compliance with mitigations such as the stipulations and ROPs is mandatory. Stipulations are applied at the time of leasing. The required operating procedures or ROPs are generally applied at the time of permitting, or when we issue some sort of authorization. Lease stipulations and ROPs are a baseline requirement.

After review and prior to approving an authorization, requirements may be increased.

29

All oil and gas related activities are directed by lease stipulations. All activities, including oil and gas are subject to ROPs. Examples include seismic operations, installation of communication sites, oil and gas drilling, ice drilling construction, overland supply moves, pipeline construction, and even special recreation use permits when activities occur in the petroleum reserve. Conceptually lease stipulations and ROPs are sideboards for -- within which all activities take place.

30

When we receive a permit application, various processes are triggered. This includes consultation with native tribal government, holding public meetings and negotiation with the application. If we see something we know will not work or could be done differently, we often work with the applicant to modify their application even before they formally submit it for review and consideration.

31

Once an application is accepted, this triggers a National Environmental Policy Act review, NEPA. Depending on the proposal, this may be an environmental assessment or an environmental impact statement. As part of the NEPA process, additional public participation is conducted. And based on the NEPA analysis, additional

stipulations or special terms or conditions for approval may be added to the permit.

32

So here is a comparison between the 1998 plan, which is the no action in this draft, and the performance-based mitigation plan envisioned by alternatives B and C. This stipulation deals with tundra travel. The stipulation, and remember it's from the 1998 plan, established a prescriptive requirement of a minimum of six inches of snow depth and 12 inches of frost depth before vehicles are allowed on the tundra. The tried and true method of determining if these prescriptions are met is used by using -- is by using the slide hammer as shown in this photo. Under the 1998 plan, vehicle travel is an all or nothing proposition. Each year those requiring access on the tundra anxiously await the decision to open tundra travel.

33

Under either of the plan alternatives, B or C, a management objective is defined. In this case, the objective is to protect the stream beds, minimize compaction of soil and minimize the breakage, abrasion, compaction or displacement of vegetation.

34

A standard is also defined. In this case ground operations shall be allowed only when frost and snow depth are sufficient to protect the tundra. Note there is no prescription of a six-inch or a 12-inch snow depth

required.

35

Tundra travel -- tundra access is critical to oil and gas operations. A delay in approving tundra travel for even a short time may make a project uneconomic. If lighter vehicles could access the tundra earlier, ice road constructions could begin earlier, thus extending the typical North Slope drilling season. Vehicles used in oil and gas operations exert vastly different ground pressures. Rolagons and tracked vehicles exert less than 10 pounds per square inch. The water truck on the lower left may exert over 100 pounds per square inch. The drill rig requires the use of an ice road as each component may weigh a million pounds or more.

36

The bottom line, it's not the prescription that's important, it's whether the tundra is damaged from vehicle travel. This is the essence of performance-based mitigation. It's the performance of meeting the management objective that is important so that no one repeats this type of situation.

37

I briefly mentioned stipulations and required operating procedures or minimum standards. In addition to new additions of approval required by BLM, other existing laws may be more stringent and would be applied. Also, as a part of the permitting process, state permit requirements are reviewed. These permits may also

set higher requirements. Finally, other federal agency permits, such as incidental take of polar bears permits from the U.S. Fish and Wildlife Service are also required.

38

I'd like to talk a little bit about site specific stipulations, and remember these stipulations apply to the lands that have actually been leased.

39

All setbacks and buffer zones established in the 1998 plan remain intact. Alternative B adds an additional river, the Tingmiaksiquik near Nuiqsut, with a new one-half mile buffer zone. This river was not included in the 1998 plan.

40

As I mentioned before, deep water lakes are important features on the North Slope. They provide overwintering habitat for important subsistence species. They also provide a source of year-round water. Pollution of these lakes from spills would be extremely harmful and difficult to clean up when the lake is not frozen.

41

Going back to the 1998 plan, this area was established with a surface occupancy setback restrictions to protect deep water lakes in a certain area. Both alternatives B and C have expanded the deep water lake setback requirement to all additional lakes in the Northeast Planning Area.

42

Teshekpuk Lake covers over 160,000 acres and is the largest lake on the North Slope. Its depths

range from a few feet to nearly 50 feet. Alternative B and C establish deep water lake setbacks of one-quarter mile on the shore, and an additional three-quarter mile setback on the water, which is a one mile total set back.

43

Standards for exploration and development are intentionally set high with the burden of proof resting with the lessee to demonstrate such activities could be conducted under strict requirements such as year-round oil spill response capability, including capability during broken ice and open water and blow-out protections are in place and available, avoid conflicts with traditional subsistence uses, and seasonal concentrations of fish and wildlife resources. And all phases of daily operations shall be conducted to minimize impacts to subsistence activities, travel corridors, and fish and wildlife resources. Facilities may be approved beyond the three-quarter mile setback offshore, and geophysical activities may also be approved.

44

Northeast of Teshekpuk Lake is an area known for its importance as habitat for geese. It is especially critical for molting geese due to its remoteness, lack of predators, and disturbance. During the goose molting season, geese lose their feathers and are extremely vulnerable to predators. Because they are flightless while molting, they are very reactive to any

disturbance. It's a very stressful time each time they have to avoid a predator or react to a disturbance, and they burn energy and the energy they will need for their long migrations in the fall. A three-quarter mile setback is established around each of these lakes to prevent conflicts with the molting geese. And actually it's a one-mile setback. It's one quarter mile on shore and three quarter miles offshore, the same as Teshekpuk Lake.

45

This map shows which lakes are most important lakes for goose molting. For example, the tan-color that you see have geese concentrations of over 1,000. Alternative B makes this core area in the green unavailable for leasing, and that acreage is approximately 213,000 acres.

46

The shores of Teshekpuk Lake are also important to caribou. The area surrounding the lake is a seasonal home of the Teshekpuk Lake Caribou Herd. Lands immediately southeast of the lake are the current core calving area for the herd. The land shown in maroon are key summertime insect related corridors. During the insect season, caribou move back and forth between the lake to feed and the coastline to find relief from biting insects. Lease stipulations require a minimum of three years of study to identify critical caribou movement routes. The information will be used in making siting decisions for

placement for permanent facilities.

47

Coastal areas are important for insect relief and prevention of contamination that might affect marine waters, waterfowl habitat, and subsistence activities. A three-quarter mile setback from coastlines is established in alternatives B and C.

48

The Colville River special area was established to protect nesting and foraging habitat for the areas high concentrations of birds of prey. As with the Northwest NPR-A plan, we have decided to defer any additional leasing within the special area until a river management plan is completed for the entire river as part of the NPR-A south planning effort. The NPR-A south planning effort is scheduled to begin in 2005.

49

Pik Dunes is a relatively unique geological location. The dunes provide insect relief for caribou as well as being a possible location for rare or unusual plant species. The 1998 plan allowed leasing, but established a no surface occupancy restriction on the dunes. Alternatives B and C continue this no surface occupancy restriction.

50

Finally, both alternatives B and C make changes in consultation procedures. As mentioned earlier, special consultation areas were established along major river setbacks. The preferred alternative B and C -- the



preferred alternative and alternative C require oil and gas and related industries to conduct direct consultation regardless of the location of their activities. This includes conducting regular public meeting, producing printed materials, and using regional media such as the North Slope's only radio station, KBRW, to communicate with communities. In addition, procedures are established to provide more timely information to the NPR-A subsistence advisory panel and native tribal government. These provisions assist BLM in conducting formal government-to-government consultations with native tribal governments.

51

Special consultation requirements for seismic exploration are also established in the preferred alternative as well as alternative C. Based on concerns raised by the North Slope communities as well as individual subsistence users, all cabin users located within planned seismic exploration areas will be contacted in writing. Native tribal governments will sent -- will be sent copies of contact letters. As part of the BLM's responsibility to conduct government-to-government consultation with tribal governments, these letters will serve as the basis for BLM to work with tribal government to address concerns of individual tribal members.

52

So the planning schedule looks like this. We began this planning process for the Northeast NPR-A in

the fall of 2003, and over the holidays we also had a series of special meetings with the Kuukpik Corporation in Nuiqsut, the Native Village of Nuiqsut and Nuiqsut community leaders, in addition to North Slope Borough residents, and representatives and the State of Alaska, EPA, and the Corps of Engineers. These meetings were useful in defining alternatives to be considered in this NEPA process. We conducted public scoping meetings, my clicker's not working, last fall, and we are now in the public comment period for the draft EIS. The comment period will run through August the 2nd. This meeting is part of the public process. The ANILCA Section 810 subsistence hearings are scheduled for the North Slope during the first two weeks of July. We expect to complete the planning process by the end of the year.

53

Regardless of whether we reach a decision on the plan amendment, we intend to continue our two-year leasing scheduled in the Northeast NPR-A based on the existing plan. If additional areas are made available for leasing under either alternative B or C, lease sales will follow this two-year schedule.

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And so thank you for your attention, and we do look forward to your comments, and I'm going to turn this over to Curt now.

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HEARING OFFICER WILSON: Thank you, Susan.

Additional information on the document and the EIS process is available at the sign-in table. The draft amendment is available on the internet at <http://nenpra.ensr.com/nenpra>, and a few hard copies are available at the public room in the Federal Building.

56

All comments provided to BLM and its contractor will be compiled, analyzed, and considered in preparing the final plan amendment and EIS. In addition to speaking tonight, comments can be provided through the website or by mailing them to the Bureau of Land Management, attention Susan Childs, 222 West Seventh Avenue, No. 13, Anchorage, 99513. The website address and BLM's mailing address are available at the desk. The deadline for submitting comments again is August 2nd, 2004.

57

This hearing is one of a series being conducted to obtain the public's comments. In addition to tonight's meeting, meetings will be held in Fairbanks, Washington, D.C., Barrow, Nuiqsut, Anaktuvuk Pass, Atkasuk, and Bethel.

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So that we accurately record your comments tonight, I will call the names of those who have indicated they wish to speak, and invite each person to come up to the microphone. You will then state your name, state the organization you represent, if any, and then make your comments. If you have written comments, I will ask you to

provide them to Joe at the recorder's table, and they will be included as part of the recording -- record of this hearing.

59

I will ask each speaker to limit comments to five minutes. I will hold up this sign when you've got a minute remaining. If you reach the time limit, I will ask you for a summary of your comments, and then request that you step down to let others speak. When we complete the list of people wishing to speak, and if time allows, I may offer you another opportunity to speak, as well as ask if there are any others who wish to comment.

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Before we get into take -- before we begin to take comments, I would like to stress that our meeting tonight is specifically to hear comments and concerns related to the amendment of the Northeast National Petroleum Reserve-Alaska IAP/EIS. Your comments will serve several purposes. They will tell us if we have correctly identify the resources of the area, and the uses of these lands and the potential effects of the different alternatives in the draft plan EIS. You can suggest other alternatives that would reduce or eliminate effects on land and resources.

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As we begin now to take comments, I request that the audience be considerate of the speaker and give him or her the courtesy of your attention.

I now call the first person to speak, and that is Lynn Johnson.

62

MR. JOHNSON: Good evening. My name is Lynn Johnson, and I am the president and majority shareholder of Dowland-Bach Corporation. Dowland-Bach Corporation is a 100 percent Alaskan manufacturing and specialty fabrication firm based here in Anchorage. My firm has been in business for 29 and a half years, and we employ 18 people. Our craftsmen, fabricators and engineers work at year-round, well paid value add manufacturing jobs which are extremely rare in Alaska.

63

I'm appearing here this evening to support very strongly alternative C in regard to leasing in the NPR-A Northern Planning Area. This planning area is within the National Petroleum Reserve-Alaska which was indeed set aside by Congress for energy resource production. Only this alternative allows access for development of 100 percent of the potential oil and gas deposits. Areas that are currently off limits possibly contain two billion barrels of technically recoverable petroleum products.

64

The United States and other western nations need to become more self-sufficient in regard to their crude oil supplies, while at the same time promoting conservation and more fuel efficient vehicles. In order to accomplish this, we need to develop our domestic petroleum

resources to their fullest extent in order to lessen our dependence on oil from less than friendly foreign powers. Industry has proven for nearly 30 years that development can take place, while at the same time protecting our beautiful Alaskan environment. For this reason, alternative C is clearly the best alternative here this evening. Thank you.

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HEARING OFFICER WILSON: Thank you. Tadd Owens.

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MR. OWENS: Thank you. For the record, my name is Tadd Owens. I'm the executive director of the Resource Development Council for Alaska. We appreciate the opportunity to offer our comments this evening in support of alternative C.

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RDC is a statewide, non-profit trade association. We represent individuals and companies from Alaska's oil and gas, mining, timber, tourism and fishing industries. Our members also include native regional and village corporations, local communities, organized labor and industry-support firms. For nearly 30 years RDC has brought these diverse interests together to advocate for responsible resource development in Alaska.

68

Since the late 1990s RDC has publicly supported full leasing of BLM's lands within the National Petroleum Reserve -Alaska. Our long-standing position is

based on several facts:

The NPR-A is a federally-designated petroleum reserve and has been aside for energy production for nearly a century.

Industry's track record on the North Slope demonstrates its ability to develop and explore for oil and gas resources responsibly and with minimal impact to the natural environment and fish and wildlife populations.

Federal and state regulatory agencies have proven to be thorough regulators of development activities vigorous enforcers of both the nation's and Alaska's environmental laws and standards. These standards are the most stringent in the world.

The NPR-A encompasses some of the most highly prospective acres in North America for a significant oil and gas discovery.

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For all of thee reasons, full leasing of the Northeast Planning Area makes sense. Alternative C opens 100 percent of the highest prospective areas in the study area and therefore has RDC's full support.

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We support alternative C because we recognize that lease stipulations are just the beginning of the regulatory process. Any oil and gas exploration or development activity in the NPR-A will be planned and permitted in conjunction with a host of federal, state and

local agencies. Regardless of the lease stipulations, nothing in the NPR-A will happen without first undergoing a thorough public process and heavy scrutiny from regulators.

71

Those who oppose oil and gas development at all costs would have the public believe that without command and control lease stipulations and large withdrawals of land prior to leasing, development in the NPR-A will happen in a regulatory vacuum. This is at best selective story telling, and at worst deliberately misleading.

72

Finally, BLM is going to be inundated with comments and complaints that this current decision-making process breaks a prior commitment by the agency. Nothing could be further from the truth. As times and circumstances change, it is incumbent upon BLM to review its previous management decisions and recommend changes when needed. Federal agencies have always done this in Alaska, usually to the consternation of those interested in responsible development.

73

In the case of NPR-A, many things have changed in the last six years. Technology advances and price increases have vastly increased the estimated recoverable oil in the Northeast Planning Area. The nation's economic growth and national security are increasingly dependent on additional domestic energy



production. And discoveries have already been made in the area, increasing the interest and activity of the industry. Together, these factors warrant a second look at the Northeast Planning Area.

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On behalf of RDC, we appreciate the opportunity to comment in support of alternative C.

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HEARING OFFICER WILSON: Thank you. Rick Mott.

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MR. MOTT: Good evening. My name is Rick Mott. I am Vice President of Exploration and Land for ConocoPhillips Alaska. ConocoPhillips Alaska is the largest producer of oil and gas, and the most active explorer in Alaska.

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Our company has a proven track record of high quality environmental performance in Alaska, particularly on the North Slope and in the National Petroleum Reserve. ConocoPhillips is a leader in innovative solutions that protect the environment, such as our minimal footprint at the Alpine production facilities. ConocoPhillips has participated in 15 exploration wells in the Petroleum Reserve, all without environmental incident.

78

In 2001 ConocoPhillips and our partner Anadarko Petroleum announced several discoveries in the National Petroleum Reserve-Alaska. Since that time, an EIS has begun for new satellite field developments in both the

National Petroleum Reserve and on state and native corporation lands near the Alpine field. These new developments confirm the strategic potential and importance of oil and gas in the National Petroleum Reserve-Alaska.

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As the BLM draft plan points out, much has been learned since the Record of Decision for the northeast area was first issued in 1998. Most importantly, ConocoPhillips endorses continued leasing in the northeast portion of the National Petroleum Reserve-Alaska, and the opening of the Teshekpuk Lake by the BLM. This will allow access to some of the most prospective areas, which are located near the crest of the Barrow Arch.

80

ConocoPhillips believes that the most sensitive areas north of Teshekpuk Lake, such as the lakes with the highest use by molting geese, should remain off limits. We also acknowledge that there should be a significant buffer around these lakes as a further measure for protection of these species. However, we are concerned in general that the BLM has recommended the blanket exclusion from leasing of over 350 square miles of additional prospective acreage north of Teshekpuk Lake.

81

We're also concerned that the BLM has not addressed some of the extensive stream setbacks in the area. In our opinion, the current three-mile setback is unnecessary and doubles the one and a half miles originally

recommended in the 1998 plan -- draft plan.

82

ConocoPhillips supports the BLM's proposed performance-based stipulations and required operating procedures for the Northeast NPR-A. These revised stipulations would provide a framework to make compliance efforts more efficient, wherein we can continue to operate in a safe and environmentally-sound manner and respect the important subsistence usage of the area.

83

Finally, future oil and gas developments in the National Petroleum Reserve-Alaska will have economic benefits for the native people of the North Slope, for the State of Alaska, and for the nation. For more than 30 years oil and gas development has been the economic engine that provides jobs and tax revenues for the State of Alaska.

84

In 2003, the State of Alaska received more than one billion dollars from oil and gas industry taxes and royalties. The three previous lease sales in the National Petroleum Reserve-Alaska have generated more than \$222 million in bonus payments, split between the state and federal governments. Clearly, continue investment in the North Slope benefits everyone who lives in Alaska, though monies from state -- through, excuse me, monies from state and local governments that result in better services and better schools.

85

ConocoPhillips has also proven that we can work closely with our neighbors and operate in a manner that respects the way of life of residents of Alaska's North Slope. The dialogue is a constant effort on both parts, and we are committed to working with North Slope residents to ensure all development happens in a way that respects their heritage and their subsistence way of life.

86

In conclusion, continued lease sales in the National Petroleum Reserve will enhance the nation's energy and economic security. Now is the time for leasing, because our nation needs to secure its energy future.

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In addition to my comments today, ConocoPhillips plans to submit written comments for this draft plan review process. Thank you.

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HEARING OFFICER WILSON: Thank you. John Schoen.

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MR. SCHOEN: Good evening. My name is John Schoen. I'm the senior scientist for Audubon Alaska. I appreciate the opportunity to provide you with Audubon's comments on the Northeast NPR-A draft EIS.

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First, let me be clear that Audubon does not oppose responsible development of NPR-A. We recognize the value of oil and gas to the nation's and Alaska's economy. We believe, however, that responsible development includes balancing industrial activity with conservation of

the most important fish and wildlife habitats.

91

The northeast region of NPR-A has long been recognized for its extraordinary wildlife values. The Teshekpuk Lake region provides essential habitat for many species of nesting loons, swans, ducks, geese and shorebirds, including threatened Steller's and spectacled eiders, and the rare yellow-billed loon. The wetlands and deep water lakes north and northeast of Teshekpuk Lake are one of the most important molting areas for geese and encompass up to 30 percent of the world's population of Pacific Brant. Geese are extremely sensitive to disturbance during their flightless molt.

92

The calving grounds of the 45,000 animal Teshekpuk Caribou Herd occur south, east, and north of the lake. Later in June and July, caribou seek insect relief north and east of the lake.

093  
Caribou

Industrial infrastructure in this ecologically sensitive area and geographically restricted region significantly risk displacing caribou and geese to less productive habitats and would likely cause population declines.

94

In 1998 BLM and the Secretary of Interior completed a lengthy analysis of the Northeast Plan Area and struck a balance between protecting the area's unique surface resources and offering 87 percent of the area for

oil and gas leasing.

95

Last year, BLM concluded that with new information it was appropriate to consider amending the Northeast Plan. However, there is no new scientific evidence suggesting that industrial development can occur within the Teshekpuk Lake area without risk to wildlife populations.

96

The scientific community has been very clear about the importance of Teshekpuk Lake and its vulnerability to industrial development. For example, in '98 the Pacific Flyway Council recommended that the Teshekpuk Lake Special Area be given permanent protection.

097  
Basic

Last year, the Alaska Chapter of The Wildlife Society stated that they were unaware of new scientific information published since '98 regarding Teshekpuk wildlife and the Society recommended retaining the Teshekpuk Lake Surface Protection Area.

98

And in 2003, the National Research Council also reiterated the risks to caribou and molting waterfowl from industrial development around Teshekpuk Lake.

99

The preferred alternative in BLM's draft EIS reduces the size of the Teshekpuk Lake Surface Protection Area from 858,000 acres to 213,000, a 75 percent reduction. There is no scientific evidence that oil and gas development in the Teshekpuk Lake Surface Protection

Area would be compatible with safeguarding the area's important fish, wildlife and subsistence values.

100

Protecting the most critical fish and wildlife habitats within NPR-A is a reasonable balance. That balance was supported by scientists, resources managers, North Slope residents, and Audubon in 1998, and BLM agreed with it.

101

In summary, Audubon strongly recommends that BLM select alternative A, the no action alternative.

We also recommend extending the comment period to 90 days. It is simply impractical to provide thoughtful comments to this lengthy and complicated document in less time.

102

Thank you for the opportunity to share our perspectives on the DEIS. We will submit a more detailed response at a later date.

103

HEARING OFFICER WILSON: Thank you.  
Gregory Hebertson. Hebertson.

104

MR. HEBERTSON: Hebertson. Good evening.  
My name is Gregory Hebertson, and I'm the project manager of Alaska and Canada Frontier Exploration for Anadarko Petroleum. Anadarko is one of the largest independent exploration and production companies in the world, and has been a major participant in the exploration, development and production of oil and gas on the North Slope of Alaska

for over 10 years. Anadarko is a proven operator on the North slope and an active drilling partner with ConocoPhillips in the Alpine field, the largest on-shore domestic oil discovery in over a decade. With ConocoPhillips and others, Anadarko is continuing to pursue additional exploration projects across the North Slope.

105

National Petroleum Reserve-Alaska is one of the few remaining areas in North America for the discovery of large, conventional oil and gas resources. Congress has designated oil and gas development as the priority use in this petroleum reserve. All areas with potential resources should be available for leasing with adequate mitigation measures to address site specific concerns. In order to meet our nation's energy needs, we need access -- we need these resources available for leasing and meaningful exploration activity. Careful and sensible development is critical to a nation that is growing more dependent every day on imported oil to fuel its economy.

106

Anadarko commends the BLM's initiatives to increase leasing in the Northeast Planning Area and to develop performance-based measures to protect important surface resources. We support a common set of petroleum reserve stipulations and operating procedures based on those in the Northwest Planning Area. This would make compliance and oversight more efficient for both industry



and the BLM.

107

Anadarko supports alternative C. We believe this option allows the BLM to balance its land management responsibilities, helping to meet the energy need of our nation while protecting the environment. Alternative C makes all the areas of high oil and gas potential along the Barrow Arch available for leasing while at the same time protecting cultural resources and sensitive environmental areas through mitigation measures.

108

Anadarko, however, recognizes that there are areas within the 10 townships identified in alternative B that will likely require special consideration, including sensitive biological resources such as molting bird habitat and caribou migration in and around Teshekpuk Lake. However, categorical restrictions are not the answer. To make all 10 townships off limits would preclude the much needed exploration and possible development of important resources. We firmly believe these resources can be safely developed while minimizing impacts. Any prescriptive restrictions in the Northeast Petroleum Reserve must be founded upon a balance between resource development and cultural and environmental concerns.

109

Anadarko stresses that this NEPA process will not be the final opportunity for identification of sensitive environments, cultural and subsistence resources,

as well as methods for avoiding or minimizing impacts in the Northeast Planning Area. Alternative C requires each individual project, whether exploration or development, to be subjected to extensive federal, state and local permitting processes where site specific issues will be addressed. Alternative C also limits surface activities and requires consultation with local residents and coordinated scientific studies to protect wildlife habitat, subsistence areas, and other resources. Anadarko values the relationship we've forged with the people of the North Slope, and we look forward to working together to address any concerns that may arise.

110

Anadarko acknowledges the potential need for setbacks to streams and rivers. However, we request that the BLM review and address some of the extensive stream setbacks in the area. In our opinion, the current three-mile setback is unnecessary and doubles the one and a half miles originally recommended in 1998.

111

Finally, we recognize that our ability to maintain a sustainable business in Alaska is directly linked to our ability to operate in an efficient and environmentally sensitive manner. Anadarko has demonstrated that it can, and will, operate using technologies that are protective of North Slope environmental resources and subsistence activities.

Anadarko is confident that we can continue to mitigate impacts through technology and proper stewardship. We are committed to continuing a collaborative effort between industry, native organizations, and government agencies to find the best solutions.

112

Alaska's oil and gas resources are critical to helping meet our nation's energy needs. Anadarko recommends that Alternative C be adopted. We believe it provides adequate environmental protections, requires input from affected users, and is the most conducive to maximum ultimate recovery of oil and gas resources in the area.

Thank you very much for your time.

113

HEARING OFFICER WILSON: Thank you. Sara Chapell.

114

MS. CHAPPELL: How do you do. My name is Sara Chapell. I'm the Alaska representative for Sierra Club. Sierra Club is a national conservation organization of more than 750,000 members, including 1800 families here in Alaska.

115

Sierra Club opposes the rollback of protections for the northeast NPR-A. There's no scientific basis for this drastic change in the '98 plan. BLM will be eliminating long-standing protections for the biological and cultural values of this unique area. There's not a shred of new scientific evidence to warrant the proposed

changes, and the technology has not improved over the past five years.

116

In fact, in the five years since the release of the final '98 plan, we have seen additional information that points to the need for more restrictive protections, not less. The National Academy of Sciences report, for instance, documents the permanent and significant effect of 30 years of sprawling North Slope development.

117

And while Sierra Club is not opposed to oil development in the National Petroleum Reserve, we believe that the areas of critical biological significance should be made permanently off limits to exploration and development.

118

The Teshekpuk Lake area is home to a 45,000 calving caribou herd, nesting birds like spectacled eiders, yellow-billed loons, king eiders, as well as tens of thousands of molting geese. The Teshekpuk Lake region is clearly an area of critical biological significance that has been recognized by three separate Administrations as deserving special consideration and protection.

119  
NEPA  
Process

I would like to just say a few words about the public process the BLM has been moving forward with so far. This truncated public comment period amidst what I would consider hurried public hearings and the limited

ability for the people to see, learn about and understand the draft document may fulfill your minimal legal requirements, but is not what we should expect from the agency who has been entrusted with the management of these extraordinary lands. The public deserves more, and at the very minimum should be given into the fall to read and comment on these recommendations.

120

It's unfortunate that BLM chose to offer a skewed range of alternatives. Asking the public to choose between the status quo and full leasing is not a full range. However, given these three alternatives, Sierra Club recommends at the very least that the no action alternative be chosen. Thank you.

121

HEARING OFFICER WILSON: Thank you.  
Eleanor Huffines.

122

MS. HUFFINES: My name is Eleanor Huffines. I work for the Wilderness Society here in Anchorage, Alaska. My approach might be a little bit different. I didn't prepare formal comments. I intend to for the written comment period. And in light of the document, trying to go back and forth, I'm just going to offer some general observations on BLM's preferred alternative and the process to date.

123

You know, it's been said many times here today by both Sara and John, the conservation community's

not opposed to oil and gas development in NPR-A, and I just want to say it again, because it's often misrepresented, and we mean that wholeheartedly.

124

But one thing that also is not -- is part of that caveat is that when we talk about the NPR-A, and the idea that it is a petroleum reserve, that is true, but what often is not included in that concept is the idea that Congress moved the NPR-A to the Department of Interior for a reason, because there are significant biological and cultural resources in that area. And Congress mandated BLM protect with maximum protection surface values. So again when we are looking at this region, it's our job to work -- go through the document and make sure that BLM is adhering to that Congressional mandate as directed in 1976.

125

And the one thing I will say is, I'm embarrassed to admit it, but I'm pretty good at looking an EIS. I do it day in and day out, unfortunately. And this is incredibly difficult to go through, to go back to 1998, to go to 2004, and figure out exactly what BLM is proposing, and what you intend to do in this region is very difficult. And so I'm recommending that we do extend the comment period, and that BLM go back and try to set forth exactly what is the proposed action a little bit more clearly. And I'll give you a few specifics to speak to that.

126

But when we started this process, the original Federal Register then said, clearly there's new biological, and it said biological, information to go back and reconsider opening additional lands for oil and oil leasing in the NPR-A. Now we have no new biological information to say, yes, indeed we can go back and do that to protect that to protect those important subsistence and cultural resources in Teshekpuk Lake.

127

So the new justification for this process says, well, it's a national energy policy, and the recent EPCA report which came out in 2003. The 2003 EPCA report refers to the Lower 48 oil and gas resources, but that report says 88 percent of the federal public lands in the Lower 48 are available for oil and gas leasing. That report clearly said, you know what, there is a lot of land that has not been produced. There are energy resources. We're using them to the maximum. It gave no clear direction to say, we need to be developing the most sensitive resources we have.

128

The EPCA report for Alaska is not completed, but again that's another justification for now moving forward to recommend a preferred alternative that goes into the most sensitive resources in the northeast area of this region.

129

And, you know, again the Associated Press

just June 1st of this year said that 40 percent of the Lower 48 land that had been offered for oil and gas leasing aren't even producing yet. So again this gets back to the fact that there are lands for leasing that are available to contribute to our national needs. It's not necessary to take the most threatened area that we have in the northeast area of Alaska.

130

And that doesn't even address the fact that we've just opened 100 percent of the northwest area, we continue to offer oil and gas leases in the Prudhoe Bay state area.

131

And all the conservation community and the subsistence users asking is some form of balance, and some guarantee that these resources will be there in the future. And again, the preferred alternative doesn't do that adequately.

132

The other big frustration we have today is that if you look at the way the information is presented, it's often difficult to understand what the protections actually mean. And it's very interesting to hear that the industry is concerned about buffers, because we have the same concerns, but it's often what does a buffer mean? If you go back to the 1998 plan and you look at the definition of a permanent facility, it includes -- this is the kind of detail that's boring to the public, but critically



important to understanding the future of the resource. Permanent facility includes gravel extraction material sites. Those were not allowed in buffer zones. When you look at this plan from 2004, and if you start putting all the pieces together and reading the fine print, well, all of a sudden a buffer -- a gravel site, material sites are now considered temporary, and so they are allowed in buffer zones. But none of this is laid out for the public.

133

And so you can't truly understand what protections you are getting or are not getting for these sensitive resources. You've got to kind of go back and forth and try to fit in the picture. There's no scientific rationale to explain why that's okay, why is a gravel site now temporary when it was permanent?

134

This is why there's concern, and why the conservation community strongly believes that permanent protection is the only way to ensure these resources will survive, because through the administrative changes again, if you don't read the fine print, it's very difficult to know what's happening and really what protections will be there.

135

HEARING OFFICER WILSON: Eleanor, you've got about a minute.

136

MS. HUFFINES: Okay. Well, then the other frustration as we talk of, we continue to hear there's best

available technology, and don't worry, we'll do it right. Well, then why is this plan proposed that we should have permanent gravel roads for exploration? There's no reason to have permanent gravel roads for exploration if ice roads are the way to go, and new technology makes those more unwarranted.

137

Again, this is a continued pattern where we'd really encourage BLM to be honest with the public, set it forth straight, and if you -- be clear with what you want to do. If you want to build permanent gravel roads, well, provide the science and really look at the implications for those resources, and be honest about it. And that's what we're really asking for so we can find a true balance for the North Slope. Thanks.

138

HEARING OFFICER WILSON: Okay. Ted Von Hippel.

139

MR. VON HIPPEL: Thank you. My name is Ted Von Hippel. I'm not representing anybody. I'm just here as a citizen. I'm a scientist. I'm concerned about a lot of these issues, so I decided to come along today. I want to address a couple of general things, and then give my comments afterwards.

140

First of all, all of this stuff about energy independence is a myth, and everybody who really looks at this understands this. We are going to be

importing oil from the Middle East or wherever we're going to get it as long as we keep this kind of economy, and there's no way any of you guys in the oil industry can do anything about that. There's just not enough around, and there's nothing you can do about it. And I've seen all the charts, and you've seen them, too, and you know that.

141

Secondly, industry, despite what they're going to tell you, you guys have a horrible record. It's just abysmal. You've spilled benzene, toluene, you've had hundreds of EPA violations per year. And the main reason why the record looks better recently is because the EPA's been underfunded for 20 years, ever since Reagan really started gutting it, and it's just a really nice way to keep your violations to a minimum.

142

I understand that this is a big basis of our economy. I understand that for the present we have to pull out oil. But we can't go on saying we're going to give ourselves independence from Middle East oil, or that we're so environmentally friendly.

143

Within what's been presented today, I have to say I want the no action alternative. I think it is well thought out, more well thought out than B or C. It already gives enough, and probably too much, availability to the oil companies.

144

I like the -- some of the new changes

you've made, like the performance-based criteria. I think that's a more sensible way to approach it than say measuring snow overall and just saying this is the key. But while there are some of these improvements, opening up a lot more land I do not think is a good idea. I think it's a bad idea.

145

The other thing I think to keep in mind is, yes, time and circumstances change, but we're right now in a really critical period. What we can save over the next 20 or 30 years may well be the earth we have from now on. The population in North America and Europe is leveling off or declining in some places, totalling up in the United States, and that population pressure, if we're lucky will stabilize. At the same time, we're becoming much more aware of environmental damage, so that's helping the population, and the technology's improving. I know quite a bit about the technology. I work on some technology-related solar power myself, although that's not my main area of work.

146

What we can save over the next 20 or 30 years may well be what we end up with. And what we spoil over the next 20 or 30 years, we may be spending the next 100 years trying to recover, or it may be dead for all time. So we have to really say this stuff matters, and we can't let things go.

147

I also want to say that I think the comment period needs to be extended, too. I only learned about this very recently. I have a number of friends who are interested in this, and that document is, you know, monstrously thick. And I -- that's all I want to say. Thank you.

148

HEARING OFFICER WILSON: Thank you. Rachel James.

149

MS. JAMES: Good evening. My name is Rachel James. I'm here tonight representing the Alaska Coalition, which is a coalition of local and national groups working to protect Alaska's public lands. I'm also a life-long Alaskan.

150

I appreciate the opportunity to provide comments on the BLM's draft EIS on Northeast NPR-A, the proposal to reexamine the 1998 record of decision for the Northeast Planning Area of the NPR-A.

151

I was flying to Barrow on the morning of June 10th, not long ago, and read on the front page of the Anchorage Daily News the words of BLM's State Director, stating that the 387,000 acres was needlessly closed. He was referring to the 387,000 acres of the Designated Teshekpuk Lake Special Area, an internationally important ecological hot spot. I was amazed that such an adamant strong statement was made well before the end of this

public process. I thought that it seemed that BLM has already made up its decision regarding the future of Teshekpuk Lake, Northeast NPR-A.

152

I sincerely hope that despite these strong words that I read in the Anchorage Daily News that the state director and the agency considers the comments put forth tonight and in this public process.

153

The decision to even consider the Teshekpuk Lake Special Area open for oil and exploration on the northeast and east side of Teshekpuk Lake as put forth in BLM's preferred alternative B and C is not a balanced approach. There is no scientific evidence or public support, wide-spread public support for these rollbacks proposed in those two alternatives.

154

The BLM and agencies involved in this public process should not consider the preferred alternative put forth in the draft EIS. It should not consider the decision to reduce 75 percent of the Teshekpuk Lake Special area. Please do not reverse this 1998 decision.

155

If anything, BLM should be more restrictive to industry and protective measures in this plan. In the five years since the 1998 record of decision, the National Academy of Sciences published the Cumulative Effects of Oil and Gas Activities Report that documents significant

effects, both cultural and environmental, impacts to the people and biological resources of the Arctic. We do not fully understand these effects. The full impacts of both climate change and industrial scale oil development in the Arctic are unknown.

156

And I'm not saying that there should not be oil and gas development and exploration in the Petroleum Reserve. As Sara, John, and Eleanor stated, I'm not -- our organizations are not against exploration and development. We believe there needs to be a balanced approach.

157

As we proceed with this process, I ask the decision-makers and the agency personnel to weigh the potential costs and benefits on the opening of Teshekpuk Lake and show restraint. BLM has heard this in past public processes from subsistence users, Alaska residents and the public process five years ago. Teshekpuk Lake should not be opened to oil and gas exploration and development.

158

I'd like to offer a few more comments regarding the public process. It should be longer and there should be more communities involved. I was surprised and very glad to hear that Bethel will now be included in the public hearings. I'm very appreciative that they will be involved. The BLM should extend the public comment period to 90 days. This is a very busy time of year for Alaskans, and as mentioned in previous comments, it's a

very lengthy and complex document. I was in Barrow less than 10 days ago and everyone's getting ready to head out, and they're not around to be analyzing a document this time of year. And elsewhere in rural Alaska. So I ask to -- the BLM to extend the public comment into the fall as previously stated.

159

I also would like to suggest that the BLM consider Wainwright and Point Lay. I met some residents from those communities recently and they are concerned about the progression of industry to the west. And I think including those kind of communities in this public process would be important in the long run.

160

I'd like to add that I'm supportive -- our organization is supportive of alternative A, and the additional measures put forth in alternatives B and C should also be included in the BLM's preferred alternative, which I believe should be alternative A. The deep water lake guidelines, additional setbacks and added consultation processes put forth in alternatives B and C should also be included in alternative A, which should be the preferred alternative.

161

In conclusion, I urge the BLM at a minimum to adopt alternative A and the additional measures that I just discussed, and retain current protections for the fish and wildlife habitat and subsistence hunting grounds around



Teshekpuk Lake. I would support an approach that is science based, involves a fair and meaningful public process and would permanently protect Teshekpuk Lake. Thank you for considering these comments and for holding this hearing in Anchorage tonight.

162

HEARING OFFICER WILSON: Thank you.

Deborah Williams.

163

MS. WILLIAMS: Good evening. My name is Deborah Williams. I'm the executive director of the Alaska Conservation Foundation. The mission of the Alaska Conservation Foundation is to protect intact ecosystems and promote sustainable communities.

164

The northeast section of the National Petroleum Reserve as we have heard tonight contains significant surface and subsurface resources. Several company representatives from the oil industry have talked about the benefits of oil production, although, of course, those benefits have been overstated, particularly with respect to any notion of oil independence. As several people have testified tonight, and as even the chairman of Exxon Corporation has emphasized, our country will never achieve oil independence from domestic oil production. At most, oil production in this section of the NPR-A would have an impact of substantially less than one percent on any kind of dependency we have on foreign oil, which is

over 60 percent at this point. This is not a matter of achieving oil independence or having any impact on domestic oil prices.

165

Our nation though also benefits tremendously from protecting critical habitat for our nation's migratory birds, from protecting critical habitat for endangered and threatened species, and for protecting critical habitat for caribou and other fish upon which our state and our nation's indigenous people rely.

166

In 1996, '97 and '98 I was special assistant to the Secretary of Interior for Alaska, and devoted a considerable amount of time to the preparation of an analysis behind the 1998 plan. I can say unequivocally that that plan represented the best science, the best outreach, the best consideration of subsistence values, the best agency work, and the best balance that was achievable in 1998.

167

I am personally deeply dismayed about this draft environmental impact statement and the preferred alternative. It does not represent the best science, the best outreach, the best consideration of subsistence values or a balance. It violates each and every one of those areas dramatically.

168

The law on the National Petroleum Reserve has been mentioned several times today, but I want to

emphasize once again what shaped the 1998 plan, and that was the fact that when the NPR-A was given to the BLM to manage, Congress was unequivocal that they wanted BLM to consider at all times the environmental and other values of the NPR-A in making decisions about the NPR-A.

169

And I want to specifically cite 42 USC 6505, which required BLM to study, to do a study to determine the values and beset uses for the lands contained in the reserve, taking into consideration (a) natives who live or depend upon such lands, (b) the scenic, historical, recreation, fish and wildlife and wilderness values, (c) mineral potential, and (d) other values of such land. The nation is relying upon BLM to balance the surface and subsurface values. When BLM did that, when the Secretary did that a mere five years ago, the balance said lets lease 87 percent of the land on the northeast section. 87 percent. That's a balance. We were able to protect these critical subsistence values, these critical endangered and threatened species values, these critical migratory bird values, and still lease 87 percent.

170

What has happened in the last few years? The most dismaying thing I've heard tonight was the presentation about the three reasons that we should reconsider the '98 plan. If we are to reconsider the '98 plan, we should take into consideration the fact that there

have been changes, but each and every one of those changes suggests more, not less, protection. More, not less, protection.

171

And what are these changes? Global warming has had a severe adverse impact on this area. More, not less, protection for these surface values. We have more science than we had in 1998, and every bit of science that we have suggests more, not less, protection. The National Academy of Science did their report. It suggests more, not less, protection. We have more species at risk than we had in 1998. We know more about the problems associated with eiders, the yellow-billed loon and so forth. We have had lots more leasing. 8.8 million acres are available for leasing that were not available. These communities and these resources are more stressed, not less stressed than they were in 1998. We know that there are more adverse health impacts on the people of Nuiqsut from oil and gas production, not less. We know that there are concerns that GAO pointed out with DR&R. More, not less.

172

I submit that this process and this DEIS is legally flawed. You have not provided the public with a full range of alternatives. You have not provided the public with the information they need to participate thoughtfully in this process. You have not highlighted any of these adverse changes, all of which were brought up in

the scoping process. You have not provided the public with an adequate public comment period. This is a legally flawed process and DEIS. Your only alternative is to issue a new DEIS that takes into account these adverse changes and provides the public a full range of alternatives.

173

There should be oil and gas production in the NPR-A. There should be oil and gas production in the northeast section of the NPR-A. 87 percent is what the balance demanded in 1998. And in the last five years that balance tips for more, not less, protection.

174

I had the opportunity to visit the NPR-A a few weeks ago with Secretary Babbitt.

175

HEARING OFFICER WILSON: Deborah, your time is up.

176

MS. WILLIAMS: Um-hum. And this visit and conversations with local residents reinforces this testimony. Thank you.

177

HEARING OFFICER WILSON: Thank you. Tim Leach.

178

MR. LEACH: Good evening. My name is Tim Leach, and I'm here representing myself this evening. I'm a resident here in Alaska. My background is in geology and in education.

179

And hearing a lot of the discussion, and coming fairly newly to this argument about the Northeast

NPR-A discussion, it seems like the word balance has been brought up quite a bit, and it seems like a lot of the discussion of balance from both sides of this issue have really kind of honed in on what's changed since 1998 and the record of decision that was made at that time.

180

Much of what has occurred since 1998, as Deborah has mentioned just so recently, seems to put us much more in the favorable camp of let's put more protection in this area, not -- instead of going into this area for potential resources or resource extraction.

181

So it seems to me that much of what's been suggested this evening by industry folks especially seems to be not in the balance mode, certainly much more out of balance. And as was suggested earlier by the gentleman, is it Ted or Ed?

182

MR. VON HIPPEL: Ted.

183

MR. LEACH: Thank you. It seems that the idea of drilling for petroleum in this area has a potential to reduce our national dependence on international sources of petroleum is -- certainly it's a flawed idea. There is just -- there is no way potentially that we can drill our way into energy independence if we drill in every spot across the nature, be it under the White House or be in every national refuge across this great nation. So it just seems like a lot of these ideas that are put forth for the

idea of drilling the area are certainly flawed.

184

We have also heard tonight that there is a lot of new technology that can be used to help mitigate potential environmental problems that would occur with extraction, and it seems like these ideas would be great if we -- if we could have them, but looking at our current record on the North Slope and our state lands around the Prudhoe Bay area, looking at the record of industry, it just doesn't seem to be, even those these problems are forthcoming fairly readily in groups and meetings like tonight. When we look at what's going on on the ground, they aren't there.

185

And certainly with all the technology that is there, that is being used, if you go up to look at these areas, be it in Prudhoe Bay or other places around the nation instead of the State, you still see the same type of thing on the ground. There are still gravel roads, they still -- there are still huge processing facilities. They still have huge impacts on the environment. That, of course, was documented fairly well in the National Academy of Sciences' report fairly recently put out.

186

It seems like all of this is not getting through. I want to make sure that it's getting through in opportunities like his. We need to make sure that there is public input, and I think extending to a 90-day period

would be excellent, if we can put that request in there.

187

What's available in the current amendments, it seems like the best one that is available to us now is no action. But I would strongly encourage in the next round, if there is possible, to look at stronger requirements overall, but certainly in this particular area, no action being taken on what was decided in 1998.

Thank you very much for your time and the opportunity to speak.

188

HEARING OFFICER WILSON: Thank you. Paula Easley.

189

MS. EASLEY: Good evening. My name is Paula Easley, and I am not representing the Alaska Land Rights Coalition of which I am president, because I haven't actually read the environmental impact study, nor have I heard anything about it except what I've heard here tonight. So I'll just testify on behalf of myself.

190

I worked for a number of years for the Resource Development Council, and since then I've been associated with a number of pro-development organizations in Alaska and outside the state. During the eight years I served on the National Public Lands Advisory Council, I had the opportunity to see a number of oil and gas production facilities across the West and have been up to Prudhoe Bay and ANWR many times.



191

I have to say, without having studied the EIS, and I have to agree with Eleanor on that, it's -- they're always very complicated, and I don't think they're really written for lay people like us to even try to understand. It's -- if I have to pick one up, I just dread it. And I appreciate anyone who can study it and make their way through a typical EIS, and even more the people who have to write them.

192

But I -- but based on what I've heard here tonight and my own experience, I believe that the BLM has done a fair job of looking at the various considerations, the ways that the environment can be protected, and I really am confident that the leasing can take place, and the production can take place in an environmentally sensitive way. And I don't believe there is a person in Alaska who wants to see it any other way.

193

For that reason, I'm really comfortable supporting alternative C.

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HEARING OFFICER WILSON: Thank you. Larry Houle.

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MR. HOULE: Thank you, Curt. My name is Larry Houle. I'm general manager of the Alaska Support Industry Alliance, more commonly known as the Alliance. The Alliance as many of you know is a statewide non-profit trade association. We have chapters in Fairbanks,

Anchorage, and Kenai. We have 400 member companies that derive their livelihood primarily in Alaska's oil and gas industry and the support of those industries. Our employment base represented by Alliance membership is approximately -- almost at an all-time low of 25,000 people. We had a high of about 40,000 throughout the 90s.

196

In addition to my position at the Alliance, I would like to state that I was -- I served actively as a member of the BLM Resource Advisory Council for four years, from 1999 through 2003.

197

The Alliance strongly supports the Amended Integrated Activity Plan, alternative C. Alternative C is intended to allow a maximum amount of oil and gas activities as permitted by law. Alternative C would use the same performance-based stipulations and required operating procedures developed for the preferred alternative B to mitigate impacts of energy development and other land use on resources in the planning area.

198

Some people that I've heard testify seem to believe that this balance that we talk about is achieved by a lease or no lease situation. We would like to suggest that balance is achieved by the stipulations and the required operating procedures that are actually developed under alternative C, and that they are scientifically and performance-based and if they are -- if they are

scientifically and performance-based, they will preserve the Arctic wildlife and environment while petroleum resources are being developed.

199

In addition, seasonal stipulations and other measures would be applied to protect sensitive areas under alternative C. Industry's track record on the North Slope and the technological advances in the past several decades has greatly reduced the development footprint, and certainly minimized the impacts of leasing.

200

Like it or not, we live in a world driven by hydrocarbons. All of the producing fields and oil discoveries in the Arctic are located within 25 miles of the coast in that area known as the Barrow Arch. I think it's important to think about truly we will never be independent in our natural resources, and not -- we will always be dependent upon some export oil, but I would like to submit that it's actually environmentally irresponsible to not develop in Alaska where we have probably the strictest and the most -- the strictest and most stringent local, state and federal requirements in the world.

201

Today as they did over 81 years ago when President Harding established the National Petroleum Reserve Number 4, now known as NPR-A, natural seepages were known to occur along the Arctic Coast, but yet contin -- operators con -- companies continue to operate today in the

Arctic. We explore and we develop in those very -- with the most stringent local, state and federal requirements in the world. For over 30 years we have proven that responsible development can take place in the most severe of Arctic conditions.

202

Again, to conclude, the 400 companies and the 200 and -- the 25,000 employees represented by Alliance membership supports alternative C of the activity plan. And I thank you for this opportunity.

203

HEARING OFFICER WILSON: Thank you. Tom Hendrix.

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MR. HENDRIX: Hello. Good evening. My name is Tom Hendrix, and I represent Kuukpik Carlile Transportation, LLC. We're an Alaskan corporation, and our company supports alternative C of the upcoming NPR planning for future oil leases.

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We'd like to show our support for the alternative C as it makes available 100 percent of the highest perspective in the planning area for oil and gas leasing. This area was designated by Congress for the domestic production of energy resources.

206

We employ some 400 Alaskans and support environmentally responsible development in NPR-A. As a North Slope contractor, we have participated in North Slope development in Western Alaska, and assert that the highest

standards are held in environmental protection by the companies currently participating in oil and gas development.

207

Revenues and employment generated by oil and gas development would be significantly greater under alternative C while still safeguarding the environment. Thank you.

208

HEARING OFFICER WILSON: Thank you. Janet, do we have anybody else signed up?

209

JANET: That's it.

210

HEARING OFFICER WILSON: That's everybody we had signed up. Is there anybody who'd like to take this opportunity to speak? Okay. Well, thanks for coming.

(END OF PROCEEDINGS)

C E R T I F I C A T E

1 UNITED STATES OF AMERICA )  
 ) ss  
STATE OF ALASKA )

I, Joseph P. Kolasinski, Notary Public in  
and for the state of Alaska, and reporter for Computer  
Matrix Court Reporters, LLC, do hereby certify:

2 THAT the foregoing Bureau of Land  
Management Hearing on the NPR-A was electronically recorded  
by myself on the 28th day of June 2004, at Anchorage,  
Alaska;

3 That this hearing was recorded  
electronically and thereafter transcribed under my  
direction and reduced to print;

That the foregoing is a full, complete, and  
true record of said testimony.

4 I further certify that I am not a relative,  
nor employee, nor attorney, nor of counsel of any of the  
parties to the foregoing matter, nor in any way interested  
in the outcome of the matter therein named.

IN WITNESS WHEREOF, I have hereunto set my  
hand and affixed my seal this 9th day of July 2004.

5  

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Joseph P. Kolasinski  
Notary Public in and for Alaska  
My Commission Expires: 3/12/08